

## 43rd ASSEMBLY DISTRICT • ASSEMBLY DEMOCRATIC CAUCUS CHAIR

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## Jorgensen's Journal: It's Time for WEDC to Do Its Homework

Do your homework. As a parent of three students, that sentence just rolls off my tongue.

Clearly, the folks at the so-called Wisconsin Economic Development Corporation need a grown-up in the room to give them that same reminder.

We've recently learned of the quasi-public agency's egregious mismanagement of taxpayer money, writing off a whopping \$7.6 million in loans since the organization was created by Republicans in 2011. That's \$7.6 million we might not have lost, had WEDC just done its homework.

Most troubling might be the case of Morgan Aircraft, a company that received \$700,000 in state money to create 340 jobs. Unfortunately, a cursory Internet search on the business reveals it has no experience in aircraft manufacturing. And, underwriters hadn't reviewed the company finances. Given those facts, it may be no surprise to learn that, while the money was spent, not one – not one – of those 340 jobs has materialized.

It's far from WEDC's only lapse.

Investigations show that Milwaukee-based Building Committee Inc. (BCI) got a \$500,000 unsecured loan at the urging of Governor Scott Walker's top lieutenant. The award came soon after the company's owner made the maximum contribution to Walker's 2010 gubernatorial campaign.

When this story first came to light, WEDC officials claimed not to be able to find underwriting documents justifying the loan. But state auditors confirmed Tuesday that WEDC simply did not conduct a financial review of BCI.

Time and again, WEDC has not done its homework, costing taxpayers dearly.

I figure, it's time we do our homework on WEDC. Reporters are digging for information, and so too should the Legislature. You deserve answers.



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Earlier this month, I urged my colleagues to support a resolution compelling WEDC to provide its records on questionable or unsecured loans. I had the support of my fellow Democrats, but no Republicans would break rank to do what is right by the people of Wisconsin.

Now, two Assembly Republicans have proposed doing away with the nonpartisan Legislative Audit Bureau, the agency largely responsible for uncovering WEDC's failures. Their answer is not to clean up WEDC. No, it seems their answer is to hide future mismanagement by eliminating the state's already limited oversight options.

There's no hiding the fact that under the Republicans' watch, Wisconsin has fallen to dead last in the nation for business start-ups,  $42^{nd}$  in wage growth, and  $40^{th}$  in job growth. Under their lead, Wisconsin's middle class has shrunk more than any other state's.

You'd better believe I'm going to stay on WEDC, and that I'll keep pushing for reforms that will ensure your tax dollars are put to good use. With a still-tough state economy – not to mention a \$2.2 billion budget deficit – the last thing Wisconsin needs is an agency that can't do its homework.

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